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State Overview

IDAHO'S UNEMPLOYMENT RATE UNCHANGED AT 5.0 PERCENT

The seasonally adjusted unemployment rate for September 2004 was 5.0 percent, unchanged from August. Idaho's September unemployment rate was three-tenths of a percentage point below the 5.3 percent rate experienced one year ago. Idaho's September unemployment rate remained below the national rate of 5.4 percent, which was also unchanged from August.

The number of Idahoans working in September decreased from the previous month. The number employed dropped by 2,100 to 672,800. The number of unemployed persons increased by 100 to 35,600. These changes resulted in a decrease in Idaho's *Civilian Labor Force* to 708,400 from 710,400. This was the first month-over-month decrease in the *Civilian Labor Force* and employment since April.

In spite of the slight month-over-month dip in the number of people working in September, Idaho's job market has been adding employment opportunities throughout 2004. From one year ago, the number of persons employed has increased by 16,100. Even with some announced layoffs in 2004, the number of people unemployed has decreased by 800 from September 2003. As a result of

the changes in the number of persons employed and unemployed, Idaho's *Civilian Labor Force* showed an increase of 2.2 percent, or 15,300 persons, since September 2003. Nationally the number of people employed increased by nearly 1.8 million between September 2003 and September 2004. This was an increase of 1.3 percent compared to a 2.5 percent increase in Idaho. Between September 2003 and September 2004, the number of persons unemployed decreased 10.6 percent nationally compared to a 2.2 percent decrease in Idaho.

Website Update — A Profile of Older Workers in Idaho

In 2002, about 32 percent of working Idahoans were age 45 and over, an increase from 25 percent in 1992, according to the U.S. Census Bureau. This analysis of Idaho's older work force is based on the Local Employment Dynamics (LED) program.

This new report highlights the age composition of the state's work force, job gains and losses for older workers by industry, industries in which older workers are concentrated and their job stability and earnings.

"We're seeing an increase in aging workers who are choosing to stay in the labor pool," said Idaho Commerce & Labor Director Roger B. Madsen. "This report will help set the framework for decisions that need to be made about how to attract, train and retain an aging workforce."

Read the full report at lmi.idaho.gov/led.

AREA AND COUNTY LABOR FORCE DEVELOPMENTS

Four counties experienced double-digit unemployment rates in September: Adams at 13.9 percent, Clearwater at 11.3 percent, Payette at 11.4 percent, and Washington at 10.2 percent. Unemployment rates at or below 3.0 percent occurred in six counties during September 2004: Franklin at 3.0 percent, Butte at 2.7 percent, Lewis at 2.5 percent, Owyhee at 2.1 percent, Oneida at 2.0 percent, and Madison at 1.2 percent.

The highest unemployment rates among the state's Labor Market Areas (LMA) occurred in the Idaho-Lewis LMA (8.4 percent) and the Cassia-Minidoka LMA (7.6 percent). The Bonneville LMA (3.6 percent) and the Magic Valley LMA (3.9 percent) had the lowest unemployment rates. The Boise City MSA unemployment rate was 4.7 percent.

SPECIAL TOPIC: Counting Active Duty National Guard and Reserve Members in Labor Force Statistics

Several thousand Idahoans who are members of National Guard or Reserve units have been activated in recent months. Several people have asked, "How does this affect the state's unemployment rate or other statistics?" There are several responses:

- Active military members are not part of the *Civilian Labor Force* and, therefore, are not counted as either employed or unemployed.
- Prior to activation, the service person was either employed, unemployed, or not in the *Civilian Labor Force*. Upon activation, that status changes to not in the civilian labor force for everyone. Those previously employed will be subtracted from the total employment category. Those unemployed will reduce the number of unemployed. The new Civilian Labor Force will be the sum of the revised employment and unemployment counts. Since the unemployment rate is the percentage of unemployed in the labor force, a new calculation of this percentage will determine if the unemployment rate is changed because of the activation.
- The affect on the monthly establishment survey (*Nonfarm Payroll Jobs*) could be difficult to discern. To change the worker count, the service man or woman would no longer be receiving any pay from the employer—which could mean a termination occurred—or otherwise removed from the worker count that the employer submits for the survey. If the service person is not included in the reported count, the job count is decreased. If the service person is reported, there is no change. If the service person's job is refilled by a new hire, there could be no change or an addition of one depending upon how the service person's absence is handled. In other words, the call-up of the Guard or Reservist can affect the job count in different ways; it depends upon how the employer manages and reports the situation.

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or to the Regional Labor Economists noted in each area news section.

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- By law, activated Guard and Reservists have certain reemployment rights. Upon deactivation, they presumably will return to the *Civilian Labor Force* and be counted accordingly.

(Readers are encouraged to review the Glossary on page 22 for definitions of these labor force statistical terms.)

Of course, there are so many other dynamics that cause labor force and employment changes that isolating the affects caused by the Guard and Reserve activation would be a difficult task.

NONFARM PAYROLL JOBS

Total Nonfarm Payroll Jobs in September increased by 1.1 percent from August to reach 599,000. So far, July has been the only month this year in which the job count for the current month did not exceed the count for the previous month. The job growth was uneven, however, as all of it occurred in the *Service-Providing Industries*. Job gains and losses within the *Goods-Producing Industries* were a wash.

Logging maintained its summer time level with a slight gain of 100 jobs, but that was not enough raw product to boost the job level in *Wood Product Manufacturing*, which lost 100 jobs from August in its *Sawmills and Wood Preservation* component.

Perhaps the biggest story in the *Goods-Producing* supersector was the loss of 400 jobs in *Construction*. This decline is the first since January 2004, as this industry has remained remarkably (and maybe, unexpectedly) strong and growing throughout the year. About 3,700 new jobs were added in 2003 and 11,100 so far this year. Population growth, low interest rates, commercial developments, and infrastructure improvements and repairs have fueled this sustained growth.

The September job loss in *Construction* occurred mainly in the *Specialty Trades Contractors* industry, due in part to several large office building projects that were completed recently. Approved building permits remain strong statewide, but there will be the winter seasonal slowdown in road and heavy construction still to come.

It is beginning to seem that the usual capacity level of Idaho's premier *Food Manufacturing* industry, *Fruit & Vegetable Preserving & Specialty Food Manufacturing* (potato and table vegetable frozen products), is now at 7,200 to 7,500 workers. The industry has been bouncing around this level for most of the year in the wake of several previous

State Table 1: September 2004 Labor Force (preliminary)

Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
Seaport LMA	35,555	1,567	4.4	33,988
Nez Perce County	23,274	875	3.8	22,398
Asotin County, WA	12,281	692	5.6	11,589
Boise City MSA	252,979	11,994	4.7	240,985
Ada County	180,786	7,284	4.0	173,501
Canyon County	72,193	4,710	6.5	67,483
Pocatello City MSA*	41,516	1,943	4.7	39,573
Bonneville LMA	88,558	3,159	3.6	85,399
Bingham County	23,990	1,123	4.7	22,867
Bonneville County	51,879	1,598	3.1	50,281
Butte County	1,642	45	2.7	1,597
Jefferson County	11,047	393	3.6	10,654
Cassia-Minidoka LMA	19,036	1,442	7.6	17,594
Cassia County	9,566	587	6.1	8,979
Minidoka County	9,470	855	9.0	8,615
Idaho-Lewis LMA	7,660	643	8.4	7,017
Idaho County	6,280	609	9.7	5,671
Lewis County	1,379	34	2.5	1,345
Panhandle LMA	98,166	6,599	6.7	91,567
Benewah County	4,518	438	9.7	4,080
Bonner County	19,099	1,335	7.0	17,764
Boundary County	4,722	359	7.6	4,363
Kootenai County	63,298	3,829	6.0	59,468
Shoshone County	6,530	638	9.8	5,892
Magic Valley LMA	58,195	2,249	3.9	55,946
Gooding County	8,091	256	3.2	7,835
Jerome County	10,860	438	4.0	10,422
Twin Falls County	39,243	1,554	4.0	37,690
Adams County	1,752	244	13.9	1,508
Bear Lake County	3,148	137	4.3	3,011
Blaine County	12,800	504	3.9	12,296
Boise County	2,658	185	6.9	2,473
Camas County	496	24	4.8	472
Caribou County	3,592	224	6.2	3,368
Clark County	571	24	4.2	547
Clearwater County	3,642	411	11.3	3,231
Custer County	1,977	109	5.5	1,867
Elmore County	9,349	606	6.5	8,742
Franklin County	5,830	175	3.0	5,654
Fremont County	3,604	162	4.5	3,441
Gem County	5,355	394	7.4	4,961
Latah County	16,392	616	3.8	15,776
Lemhi County	3,904	288	7.4	3,617
Lincoln County	2,225	115	5.2	2,110
Madison County	11,137	132	1.2	11,005
Oneida County	1,900	39	2.0	1,861
Owyhee County	4,267	90	2.1	4,177
Payette County	9,432	1,079	11.4	8,353
Power County	3,111	291	9.4	2,820
Teton County	4,132	156	3.8	3,975
Valley County	3,826	293	7.7	3,533
Washington County	3,997	406	10.2	3,591
State of Idaho	708,364	35,606	5.0	672,758
Idaho Cities				
Boise	114,693	4,592	4.0	110,101
Coeur d'Alene	22,392	1,028	4.6	21,363
Idaho Falls	32,237	1,014	3.1	31,223
Lewiston	19,718	650	3.3	19,069
Nampa	22,049	1,552	7.0	20,497
Pocatello	29,260	1,347	4.6	27,913
Twin Falls	20,521	858	4.2	19,663

* Pocatello MSA includes all of Bannock County.

plant closures. September's mark of 7,700 is slightly above average but is a seasonal peak time for processing row vegetables and fall fruits. The other major industries included in Idaho's *Food Manufacturing* sector are dairies and cheese, sugar refining from beets, and meat (mainly beef).

The other *Manufacturing* sectors did not change much. *Computer & Electronic Product Manufacturing* was essentially unchanged. The number of jobs in this industry has averaged 16,800 year-to-date. The total *Manufacturing* sector had a net gain of just 300 jobs.

The August-to-September changes in the *Service-Providing Industries* can be described as normal due to predictable/seasonal events, such as schools resumed full operation, and the summer recreation and tourist season tapered off. Some analysts might also read a slight decline in consumer confidence into job losses in *Retail Trade, Real Estate & Rental & Leasing*, and *Leisure & Hospitality* industries. Although a loss of 1,900 jobs in *Leisure & Hospitality* stands out on State Table 3 on page 5, a sizeable loss this time of the year is not unusual, nor is the magnitude of the loss. This industry has had a summer job level almost 3,000 more than last year, so the seasonal slowdown is bound to involve more people.

The start of school resulted in 8,600 jobs being added in *Educational Services* (private schools and services) and *State* (higher education) and *Local Government Education* (elementary & secondary). These additions do not represent all the teaching and seasonal jobs in these sectors as some were hired in August, some will be hired later as attendance patterns settle, and many teachers are on the job during the summer, especially in higher education.

The year-over-year data columns in State Table 3 on page 5 depict a generally robust and expanding economy. The job loss/no growth industries, *Natural Resources & Mining, Wood Product Manufacturing*, and *Food Manufacturing*, are traditional industries undergoing long-term declines and adjustments. *State* and *Local Government Education* have both lost jobs due to lack of financial resources. Industries with substantial year-over-year increases tend to be the same ones with a long-term positive growth pattern due to increased population, urbanization, and favorable economic conditions. *Computer & Electronic Product Manufacturing* has achieved stability. *Administrative & Support Services*—call centers

and temporary help agencies—continue to expand presence in Idaho. *Leisure & Hospitality* has recovered from the problems caused by the national recession and the 9/11 tragedy.

AGRICULTURAL EMPLOYMENT

September is considered the prime harvest for some of Idaho's best-known crops: potatoes, sugar beets, onions, fall fruits, and last cutting of hay. However, September is also the time for winter wheat planting, soil preparation, and product storage and transportation activities. All of these require hired labor, but the type of labor changes from field hands to truck and equipment operators, warehouse workers, and food processing workers. Therefore, the labor demand for workers who are hired by the producer/grower starts to drop while the need for workers in the other agricultural industries increases. The weather can also affect the workforce transition, i.e., the harvest can begin significantly earlier or later than "normal" in response to the weather conditions during the growing season as well as during the statistical reference week.

This year the September weather was ideal early in the month, but then turned rainy and cool at mid-month. However, these conditions did not unduly delay harvest activities in most parts of the state.

The estimated number of hired farm workers during September was 9,740.

Twenty-four Idaho counties were declared agricultural drought emergency areas in 2004. An above-average snow pack winter is now needed in all parts of the state to prevent a fifth consecutive year of drought conditions throughout southern Idaho.

Idaho's 2004 barley crop established a new record yield, and the 2004 winter wheat crop equaled the existing record yield, according to the Idaho Agricultural Statistical Service. Idaho's 2004 all wheat production increased 20 percent from 2003.

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State Table 4: Nonfarm Payroll Jobs

BY PLACE OF WORK	% Change From				
	Sep 2004*	Aug 2004	Sep 2003	Last Month	Last Year
Nonfarm Payroll Jobs**	599,000	592,500	582,600	1.1	2.8
GOODS-PRODUCING INDUSTRIES	110,400	110,400	105,900	0.0	4.2
Natural Resources & Mining	4,600	4,500	4,200	2.2	9.5
Logging	2,600	2,500	2,200	4.0	18.2
Mining	2,000	2,000	2,000	0.0	0.0
Metal Ore Mining	500	500	500	0.0	0.0
Construction	43,800	44,200	39,600	-0.9	10.6
Manufacturing	62,000	61,700	62,100	0.5	-0.2
Durable Goods	38,400	38,500	37,900	-0.3	1.3
Wood Product Manufacturing	7,300	7,400	7,200	-1.4	1.4
Sawmills & Wood Preservation	3,000	3,100	2,900	-3.2	3.4
Veneer & Engineered Products	1,200	1,200	1,300	0.0	-7.7
Other Wood Product Manufacturing	3,100	3,100	3,000	0.0	3.3
Fabricated Metal Product Manufacturing	3,700	3,700	3,500	0.0	5.7
Machinery Manufacturing	2,600	2,700	2,600	-3.7	0.0
Computer & Electronic Product Manufacturing	17,000	17,100	16,300	-0.6	4.3
Transportation Equipment Manufacturing	2,200	2,200	2,100	0.0	4.8
Other Durable Goods	5,600	5,400	6,200	3.7	-9.7
Nondurable Goods	23,600	23,200	24,200	1.7	-2.5
Food Manufacturing	15,800	15,400	16,000	2.6	-1.3
Fruits & Vegetable Preserving & Specialty	7,700	7,500	8,200	2.7	-6.1
Paper Manufacturing	1,600	1,700	1,600	-5.9	0.0
Printing & Related Support Activities	1,900	1,900	2,000	0.0	-5.0
Chemical Manufacturing	1,800	1,800	1,800	0.0	0.0
Other Nondurable Goods	2,500	2,400	2,800	4.2	-10.7
SERVICE-PROVIDING INDUSTRIES	488,600	482,100	476,700	1.3	2.5
Trade, Transportation, & Utilities	118,700	118,400	116,200	0.3	2.2
Trade	99,300	99,200	97,200	0.1	2.2
Wholesale Trade	24,900	24,600	24,200	1.2	2.9
Wholesalers, Durable Goods	11,500	11,400	11,000	0.9	4.5
Wholesalers, Nondurable Goods	11,100	11,000	11,100	0.9	0.0
Retail Trade	74,400	74,600	73,000	-0.3	1.9
Motor Vehicle and Parts Dealers	11,200	11,300	11,000	-0.9	1.8
Building Material and Garden Equipment	8,400	8,500	7,800	-1.2	7.7
Food & Beverage Stores	12,200	12,300	12,600	-0.8	-3.2
General Merchandise Stores	15,800	15,700	15,100	0.6	4.6
Transportation, Warehousing, & Utilities	19,400	19,200	19,000	1.0	2.1
Utilities	1,900	1,900	1,800	0.0	5.6
Transportation & Warehousing	17,500	17,300	17,200	1.2	1.7
Rail Transportation	1,100	1,100	1,200	0.0	-8.3
Truck Transportation	8,900	8,900	8,400	0.0	6.0
Information	9,400	9,400	9,200	0.0	2.2
Telecommunications	3,500	3,500	3,200	0.0	9.4
Financial Activities	27,900	27,900	27,400	0.0	1.8
Finance & Insurance	20,500	20,400	20,200	0.5	1.5
Real Estate & Rental & Leasing	7,400	7,500	7,200	-1.3	2.8
Professional & Business Services	77,200	76,800	72,300	0.5	6.8
Professional, Scientific, & Technical	30,100	30,200	29,000	-0.3	3.8
Scientific Research & Development	7,400	7,400	7,400	0.0	0.0
Management of Companies & Enterprises	7,500	7,400	7,300	1.4	2.7
Administrative & Support & Waste Management	39,600	39,200	36,000	1.0	10.0
Administrative & Support Services	38,400	38,100	34,900	0.8	10.0
Educational & Health Services	65,600	63,800	63,600	2.8	3.1
Educational Services	7,400	5,900	7,100	25.4	4.2
Health Care & Social Assistance	58,200	57,900	56,500	0.5	3.0
Hospitals	13,300	13,400	13,300	-0.7	0.0
Leisure & Hospitality	58,300	60,200	56,600	-3.2	3.0
Arts, Entertainment, & Recreation	8,500	9,400	8,200	-9.6	3.7
Accommodation & Food Services	49,800	50,800	48,400	-2.0	2.9
Accommodation	8,500	9,200	8,200	-7.6	3.7
Food Services & Drinking Places	41,300	41,600	40,200	-0.7	2.7
Other Services	18,700	19,100	18,400	-2.1	1.6
Total Government	112,800	106,500	113,000	5.9	-0.2
Federal Government	14,400	15,300	14,600	-5.9	-1.4
State & Local Government	98,400	91,200	98,400	7.9	0.0
State Government	30,000	28,200	29,000	6.4	3.4
State Government Education	13,500	11,200	13,800	20.5	-2.2
State Government Administration	16,500	17,000	15,200	-2.9	8.6
Local Government	68,400	63,000	69,400	8.6	-1.4
Local Government Education	33,500	28,700	33,800	16.7	-0.9
Local Government Administration	31,800	31,200	32,700	1.9	-2.8
Local Government Tribes	3,100	3,100	2,900	0.0	6.9

*Preliminary Estimate

** Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

State Table 5: Economic Indicators

	Sep 2004	Aug 2004	Sep 2003	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE ⁽¹⁾					
Seasonally Adjusted					
Civilian Labor Force	708,400	710,400	693,100	-0.3	2.2
Unemployment	35,600	35,500	36,400	0.3	-2.2
Percent of Labor Force Unemployed	5.0	5.0	5.3		
Total Employment	672,800	674,900	656,700	-0.3	2.5
Unadjusted					
Civilian Labor Force	710,100	717,900	695,000	-1.1	2.2
Unemployment	29,000	31,800	29,500	-8.8	-1.7
Percent of Labor Force Unemployed	4.1	4.4	4.2		
Total Employment	681,100	686,100	665,500	-0.7	2.3
U. S. UNEMPLOYMENT RATE ⁽²⁾					
	5.4	5.4	6.1		
U.S. CONSUMER PRICE INDEX ⁽²⁾					
Urban Wage Earners & Clerical Workers (CPI-W)	185.4	185.0	181.0	0.2	2.4
All Urban Consumer (CPI-U)	189.9	189.5	185.2	0.2	2.5
AGRICULTURE					
Agriculture Employment	45,100	45,550	46,160	-1.0	-2.3
Operators	9,740	9,740	9,010	0.0	8.1
Unpaid Family	360	360	360	0.0	0.0
Hired Workers	35,000	35,450	36,790	-1.3	-4.9
UNEMPLOYMENT INSURANCE					
Claims Activities					
Initial Claims ⁽³⁾	5,861	7,264	9,131	-19.3	-35.8
Weeks Claimed ⁽⁴⁾	39,652	52,666	73,772	-24.7	-46.3
Benefit Payment Activities⁽⁵⁾					
Weeks Compensated	31,711	42,909	62,036	-26.1	-48.9
Total Benefit \$ Paid	\$6,744,902	\$8,929,524	\$13,578,814	-24.5	-50.3
Average Weekly Benefit Amount	\$212.70	\$208.10	\$218.89	2.2	-2.8
Covered Employers	43,168	43,180	41,435	0.0	4.2
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$170,521,318	\$177,355,231	\$218,967,404	-3.9	-22.1

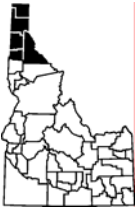
(1) Preliminary Estimate

(2) Source: U.S. Bureau of Labor Statistics

(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims

(4) Includes all entitlements/programs, Intrastate and Interstate Agent

(5) Includes all entitlements/programs, Total Liable Activities



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

Reflecting the growing strength of the local economy, the Panhandle's seasonally adjusted unemployment rate edged down from 6.9 percent in August to 6.7 percent in September. A year earlier, in September 2003, the Panhandle unemployment rate was 7.6 percent. Over the 12-month period, 5,200 Panhandle residents found employment.

Total Nonfarm Payroll employment grew a substantial 4.9 percent between September 2003 and September 2004. As Panhandle Table 1 shows, every major sector except *Wood Products Manufacturing* added jobs. *Construction* added the most jobs at 780. The average annual wage for *Construction* jobs in 2003 was \$27,540, substantially above the \$25,929 average wage for all *Nonfarm Payroll Jobs*. The construction boom explains the 100 jobs added in *Financial Activities*, which includes lending institutions, title insurance, and real estate. *Professional & Business Services* ran a fairly close second to *Construction*—adding 620 jobs at call centers, temporary employment agencies, and a variety of services. The 2003 average annual wage in that sector was \$26,914. *Leisure & Hospitality*—paying an average annual wage of \$11,474 in 2003—added 560 jobs as tourism surged. In addition, most of the 100 jobs added by tribal governments came at the Coeur d'Alene and Kootenai Tribes' casinos and hotels. *Retail Trade* added 370 jobs, mostly at building materials stores and discount stores. *Retail's* average annual wage was \$23,202 in 2003. *Educational & Health Services*—paying an average annual wage of \$24,039 in 2003—added 310 jobs between September 2003 and September 2004. Most of those new jobs were added at doctor's offices, clinics, and residential care facilities. In addition, the Panhandle's five community hospitals, which are included in *Government Administration*, added more than 80 jobs.

Panhandle Table 1: Labor Force & Employment

	Sep 2004*	Aug 2004	Sep 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	98,170	97,780	93,470	0.4	5.0
Unemployed	6,600	6,760	7,100	-2.4	-7.0
% of Labor Force Unemployed	6.7	6.9	7.6		
Total Employment	91,570	91,020	86,370	0.6	6.0
Unadjusted					
Civilian Labor Force	98,290	99,200	93,410	-0.9	5.2
Unemployed	4,800	4,880	5,170	-1.6	-7.2
% of Labor Force Unemployed	4.9	4.9	5.5		
Total Employment	93,490	94,320	88,240	-0.9	5.9
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	75,700	75,960	72,170	-0.3	4.9
Goods-Producing Industries	15,450	15,520	14,370	-0.5	7.5
Natural Resources & Mining	1,670	1,650	1,510	1.2	10.6
Construction	6,460	6,550	5,680	-1.4	13.7
Manufacturing	7,320	7,320	7,180	0.0	1.9
Wood Product Manufacturing	2,760	2,750	2,810	0.4	-1.8
Other Manufacturing	4,560	4,570	4,370	-0.2	4.3
Service-Providing Industries	60,250	60,440	57,800	-0.3	4.2
Trade, Transportation, & Utilities	14,190	14,310	13,560	-0.8	4.6
Wholesale Trade	1,510	1,530	1,360	-1.3	11.0
Retail Trade	10,810	10,880	10,440	-0.6	3.5
Utilities	390	390	390	0.0	0.0
Transportation & Warehousing	1,480	1,510	1,370	-2.0	8.0
Information	1,100	1,110	1,120	-0.9	-1.8
Financial Activities	3,130	3,210	3,030	-2.5	3.3
Professional & Business Services	7,260	7,250	6,640	0.1	9.3
Educational & Health Services	7,220	7,320	6,910	-1.4	4.5
Leisure & Hospitality	9,960	10,720	9,400	-7.1	6.0
Other Services	2,310	2,510	2,270	-8.0	1.8
Government Education	4,900	3,840	4,830	27.6	1.4
Government Administration	8,880	8,870	8,840	0.1	0.5
Government Tribes	1,300	1,300	1,200	0.0	8.3

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

AREA DEVELOPMENTS

Bonner County

- A 104,000-square-foot Home Depot is under construction on 10 acres at Kootenai Cutoff Road and Starr Lane in Ponderay. The 24-hour store is expected to open in early January when it will hire between 100 and 150 people.

Kootenai County

- Two manufacturers are moving from southern California to 11837 North Tracy Road in Hayden. Form Physics LLC, a metal injection molding company, moved from San Diego in November. It makes small metal parts including orthodontics, medical instruments, and

medical components. Soon Pathways Thermal Technology will follow. This company currently is located in Corona, 45 miles southeast of Los Angeles, and manufactures custom furnaces used by Form Physics and other companies. Both manufacturers were attracted by the area's lower building, power, and workers' compensation costs, as well as its quality of life. Together, they will employ about 22 people.

- Rathdrum's newest manufacturing operation is Taco Chic Salsa at Main and MacCartney. At the factory, which includes a gift shop and tasting bar, owner Juanita Cormack and her employees make salsa based on a 100-year-old family recipe. Rathdrum is a town of 5,500 residents that provides an atmosphere conducive to the growth of manufacturing. Four years ago, Rathdrum was home to 27 manufacturing businesses employing 280 people. Today, it is home to 34 manufacturing businesses employing 390 people.
- The Rathdrum Star recently debuted as a weekly newspaper covering the rapidly growing area including Rathdrum and Spirit Lake. Publisher-owner Tom Burnett and three employees produce the newspaper in the former Keg Tavern building across from Rathdrum City Hall.
- American Wave International (AWI) moved its headquarters from California to Coeur d'Alene this summer, and recently opened a retail outlet in the former YMCA building at 606 West River Avenue in the Fort Grounds area of Coeur d'Alene. Through a dozen retail outlets across the United States and also from its website at www.americanwave.com, AWI sells top-quality, American-made wet suits, surf gear, and protective clothing and accessories for football, baseball, and other team sports. Items sold on the Internet are shipped from Coeur d'Alene.
- North Idaho College's (NIC) Workforce Training Center recently celebrated the 10th anniversary of its move to the Riverbend Commerce Park in Post Falls from the main campus in Coeur d'Alene. When the center opened at Riverbend, it offered 39 classes; today, it offers 553 business, community education, and computer certification classes. The 30,000-square-foot center includes three computer-training labs. It continues to serve businesses by providing customized training programs, designed to provide the exact skills required by individual businesses. When Jobs Plus or other economic development organizations recruit businesses to the area, those new businesses often rely on the NIC Workforce Training Center to provide training for the employees they hire.

- Family physician Don Baker recently opened Spirit Lake Family Care in Spirit Lake, a town of 1,440 residents in northwestern Kootenai County. He's the first doctor to have an office there in 14 years. As the county's population has grown, its health care sector has grown rapidly from 3,600 jobs five years ago to 5,300 jobs today. Although most of the growth is concentrated in the area around Kootenai Medical Center in Coeur d'Alene, other areas of the county also have increased the availability of medical services.
- Hagadone Hospitality is proposing to expand its Coeur d'Alene Resort and to build a botanical garden at the entrance to downtown Coeur d'Alene's shopping district. Its proposal depends on the willingness of the city to shut down two blocks of Sherman Avenue, the main street in downtown Coeur d'Alene, to create a pedestrian corridor. The company proposes to build a 175-room tower next to the company's new Bonsai Bistro on Sherman Avenue. It won't build the tower if its guests have to cross a busy street to reach the conference rooms, spa, restaurants, shops, and entertainment at the main Coeur d'Alene Resort. The new tower would probably host 88,000 additional tourists a year and employ 130 people. Downtown businesses and city officials are analyzing the proposed street closure to determine its effects on parking, downtown shopping, and traffic flow. If the city approves Hagadone Hospitality's plan, construction would begin within the next two years.
- Hagadone Hospitality also is planning a \$20 million overhaul of the main Coeur d'Alene Resort building. In January, it will begin a \$1.3 million renovation of Beverley's, the prize-winning gourmet restaurant overlooking Lake Coeur d'Alene from the resort's seventh floor. In 2005, it also will renovate the rooms in the Lake Tower and remodel the resort lobby. It also plans to expand and remodel its spa to create a world-class facility.

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SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

EMPLOYMENT TRENDS

Seaport's seasonally adjusted unemployment rate in September remained at the August rate of 4.4 percent as shown in Seaport Table 1. In September 2003, the rate was 4.9 percent. Month-over-month, total employment decreased, but the number of unemployed persons decreased at the same rate, thus the unemployment rate remained the same. The decrease was expected, as September is usually a break between hiring seasons for recreation and agriculture, and the winter hiring season for the holidays. In September, Seaport's *Nonfarm Payroll Jobs* increased by 60 from August 2004, but decreased 760 from September 2003. September's increase month-over-month was due to normal seasonal fluctuation in *Government Education*. Education increases in September because of the return of school staffs to classrooms after the summer break. Unfortunately, the trend of job decreases in year-over-year data continued in September. *Food Processing*, *Professional & Business Services*, and *Government Administration* all have lost jobs from last year.

SPECIAL TOPIC: College cost increases moderate, but private loans rising sharply

The pace of ever-rising college costs across the country has slowed somewhat this year, and students are relying more on private loans rather than grants or other federal sources to finance their education, according to two new studies. This year, the average tuition for in-state students at public, four-year colleges rose 10.5 percent to \$5,132, according to twin studies released in October by the College Board. The surveys also found students are turning increasingly to private loans to pay for school, borrowing \$11.3 billion last year from non-federal sources, mostly private lenders. That figure has risen 147 percent in three years - and it

Seaport Table 1: Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	Sep 2004*	Aug 2004	Sep 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	35,560	36,140	35,770	-1.6	-0.6
Unemployment	1,570	1,600	1,740	-1.9	-9.8
% of Labor Force Unemployed	4.4	4.4	4.9		
Total Employment	33,990	34,540	34,030	-1.6	-0.1
Unadjusted					
Civilian Labor Force	35,000	35,760	35,200	-2.1	-0.6
Unemployment	1,180	1,350	1,320	-12.6	-10.6
% of Labor Force Unemployed	3.4	3.8	3.8		
Total Employment	33,820	34,410	33,880	-1.7	-0.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	26,160	26,100	26,920	0.2	-2.8
Goods-Producing Industries	4,690	4,590	4,720	2.2	-0.6
Natural Resources & Mining	220	220	270	0.0	-18.5
Construction	1,290	1,310	1,360	-1.5	-5.1
Manufacturing	3,180	3,060	3,090	3.9	2.9
Wood Product Manufacturing	590	570	530	3.5	11.3
Food Manufacturing	70	70	130	0.0	-46.2
Paper Manufacturing	1,190	1,190	1,160	0.0	2.6
Other Manufacturing	1,330	1,230	1,270	8.1	4.7
Service-Providing Industries	21,470	21,510	22,200	-0.2	-3.3
Trade, Transportation & Utilities	5,440	5,480	5,550	-0.7	-2.0
Wholesale Trade	650	640	640	1.6	1.6
Retail Trade	3,530	3,590	3,620	-1.7	-2.5
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,170	1,160	1,200	0.9	-2.5
Information	370	380	390	-2.6	-5.1
Financial Activities	1,870	1,880	1,810	-0.5	3.3
Professional & Business Services	1,320	1,330	1,490	-0.8	-11.4
Education & Health Services	3,960	3,980	4,040	-0.5	-2.0
Leisure & Hospitality	2,500	2,500	2,650	0.0	-5.7
Other Services	1,080	1,080	1,110	0.0	-2.7
Government Education	2,260	2,190	2,310	3.2	-2.2
Government Administration	1,860	1,880	2,030	-1.1	-8.4
Government Tribes	810	810	820	0.0	-1.2

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

doesn't include credit card debt, which as many as one-quarter of college students may be relying on to finance their education. David Ward, president of the American Council on Education, which represents public and private schools, said political pressure, cost cutting and improving state budgets have helped moderate tuition increases. But he said a fundamental issue remains: colleges are getting more of their support from students and less of it from taxpayers. Another interesting tidbit in the study's finding is that this year is the third

straight year in which private colleges and universities have raised tuition by a lower percentage than public ones.

AREA DEVELOPMENTS

Clearwater County

- Anyone following in the footsteps of Lewis and Clark across North Central Idaho will see untamed land, much the same as the explorers saw it 200 years ago when they made their way along the high ridgeline route. Today, the route remains primitive, and travelers are a long way from services. But if they need help there is now radio communication because of a new building and an updated relay on Junction Mountain near Orofino. The new building is integral to the effort to bolster radio communications in five Idaho and three Montana counties, in preparation for an anticipated influx of visitors during the Lewis and Clark Bicentennial years of 2005 and 2006. The building overlooks the North Fork Clearwater River drainage and is a good spot for bouncing radio signals from one mountaintop to another. Several agencies, including the counties, law enforcement, and the U.S. Forest Service, were involved in developing the site and constructing the building. "I'm glad we could work together to get the radio equipment set up in the new building," said Doug Gober, North Fork District Ranger. "We rely on the radios and each other to get help when there's an emergency or just to keep each other informed about hazards or safety problems."

Idaho & Lewis Counties

- Farmers in Idaho and Lewis Counties are intrigued by the idea of making more money from their wheat crops by forming a co-op to build and run an ethanol plant. The proposed \$23 million plant would not only make ethanol, but could produce feed pellets and carbon dioxide as byproducts that could also be sold. The idea has gained momentum and a steering committee has been formed that includes four area farmers, a local businessman, and the local economic development specialist to help with a feasibility study. According to the new committee, the plant may bring more than \$20 million to the Camas Prairie during construction and that much again during each year of production. The proposed plant would produce 10 million gallons of ethanol per year and be supplied by wheat from Idaho, Lewis, and Nez Perce Counties. According to the committee, California will be 1 billion gallons short on ethanol by next summer. The state uses ethanol as a gasoline oxygenate additive; most of the gasoline

sold in California presently contains 5.7 percent ethanol.

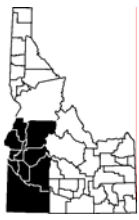
Latah County

- Wal-Mart has filed application papers with Moscow's sister city, Pullman, Washington, to build a Wal-Mart Supercenter on a 28-acre site on the south side of Bishop Boulevard. Part of the application includes plans to lengthen Fairmount Drive, which runs to the Community Action Center behind the old Safeway location, and extend the street to the rear of the proposed 223,000-square foot store. The store will have a large parking lot in front, facing Bishop Boulevard, with a smaller parking west. The superstore will employ 300 full-time and 100 part-time employees. Wal-Mart already has two discount stores that opened in 1993 in North Central Idaho and southeastern Washington, which do not sell groceries—one in Lewiston at 116,000-square feet, and one in Moscow at 93,000-square feet. The Supercenters all include a grocery department.

Nez Perce & Asotin (WA) Counties

- Potlatch Corp. announced plans in September to use cash from the recent sale of three Minnesota mills to reduce its debt while increasing pension investments and shareholder value. The September 21 sale of three strand board mills gave the company \$455 million in cash. That, combined with \$200 million from the last two years' operational earnings, gave Potlatch more than enough to cover its debt, according to corporate spokesman Michael D. Sullivan in Spokane. The company owes about \$600 million under various debt categories, Sullivan said. He explained that facing debt is typical for running any kind of business. But now Potlatch is gaining the upper hand. "We have been reducing our debt steadily over the last two years," Sullivan said. "We are operating very profitably." The company is putting \$58 million (or \$35 million after taxes) toward pension investments. This is the highest amount Potlatch is allowed for such a payment in 2004, according to Sullivan. He said this decision is "something that should be heartening to all employees." The pension fund suffered during the last two years because of general stock market sag.

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TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

EMPLOYMENT TRENDS

The Boise City Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate for September 2004 was 4.7 percent, down one-tenths of a percent from August 2004, as shown in Treasure Valley Table 1. September's 4.7 percent unemployment rate was five-tenths of a percent below the unemployment rate in September 2003 of 5.2 percent. Between August and September 2004 the total number of employed persons dropped by 600, which amounts to two-tenths of a percentage point drop in *Total Employment*. Although the *Civilian Labor Force* decreased by 800 people from August to September 2004, a drop of three-tenths of a percentage point, there were 6,400 more people employed in the MSA this September than in September 2003. The difference in the *Civilian Labor Force* and *Total Employment* is the total number of people who are unemployed. Because that difference in September 2004, 12,000 people, was a smaller

Treasure Valley Table 2: September 2004
Seasonally Adjusted Labor Force Figures for
Southwest Idaho Counties

	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	180,786	7,284	4.0	173,501
Adams	1,752	244	13.9	1,508
Boise	2,658	185	6.9	2,473
Canyon	72,193	4,710	6.5	67,483
Elmore	9,349	606	6.5	8,742
Gem	5,355	394	7.4	4,961
Owyhee	4,267	90	2.1	4,177
Payette	9,432	1,079	11.4	8,353
Valley	3,826	293	7.7	3,533
Washington	3,997	406	10.2	3,591
Statewide	708,364	35,606	5.0	672,758

Treasure Valley Table 1: Boise MSA Labor Force & Employment
Ada and Canyon Counties

	Sep 2004*	Aug 2004	Sep 2003	% Change	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	253,000	253,800	246,600	-0.3	2.6
Unemployment	12,000	12,200	12,800	-1.6	-6.3
% of Labor Force Unemployed	4.7	4.8	5.2		
Total Employment	241,000	241,600	233,800	-0.2	3.1
Unadjusted					
Civilian Labor Force	250,200	254,100	244,000	-1.5	2.5
Unemployment	10,500	11,200	11,300	-6.3	-7.1
% of Labor Force Unemployed	4.2	4.4	4.6		
Total Employment	239,700	242,900	232,700	-1.3	3.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	239,700	238,200	230,300	0.6	4.1
GOODS-PRODUCING INDUSTRIES	48,100	48,700	45,700	-1.2	5.3
Natural Resources & Construction	17,900	18,200	16,300	-1.6	9.8
Manufacturing	30,200	30,500	29,400	-1.0	2.7
Durable Goods	23,400	23,700	22,400	-1.3	4.5
Wood Product Manufacturing	1,800	1,900	1,800	-5.3	0.0
Fabricated Metal Products Mfg.	1,500	1,500	1,400	0.0	7.1
Machinery Manufacturing	1,200	1,200	1,200	0.0	0.0
Computer & Electronic Manufacturing	15,300	15,400	14,500	-0.6	5.5
Transportation Equipment Mfg.	1,600	1,600	1,500	0.0	6.7
Other Durable Goods	2,000	2,100	2,000	-4.8	0.0
Nondurable Goods	6,800	6,800	7,000	0.0	-2.9
Food Manufacturing	5,000	4,900	5,300	2.0	-5.7
Printing & Related Support Activities	700	700	700	0.0	0.0
Other Nondurable Goods	1,100	1,200	1,000	-8.3	10.0
SERVICE-PROVIDING INDUSTRIES	191,600	189,500	184,600	1.1	3.8
Trade, Transportation, & Utilities	45,900	45,900	44,100	0.0	4.1
Trade	38,500	38,700	37,100	-0.5	3.8
Wholesale Trade	10,400	10,400	9,800	0.0	6.1
Wholesalers, Durable Goods	6,300	6,300	5,900	0.0	6.8
Wholesalers, Nondurable Goods	3,100	3,000	3,000	3.3	3.3
Retail Trade	28,100	28,300	27,300	-0.7	2.9
Food & Beverage Stores	4,400	4,500	4,300	-2.2	2.3
General Merchandise Stores	6,200	6,200	5,900	0.0	5.1
All Other Retail Trade	17,500	17,600	17,100	-0.6	2.3
Transportation, Warehousing, & Utilities	7,400	7,200	7,000	2.8	5.7
Utilities	700	600	500	16.7	40.0
Transportation & Warehousing	6,700	6,600	6,500	1.5	3.1
Information	4,200	4,200	3,900	0.0	7.7
Telecommunications	1,500	1,500	1,400	0.0	7.1
Financial Activities	13,100	13,100	12,600	0.0	4.0
Finance & Insurance	9,700	9,600	9,300	1.0	4.3
Real Estate & Rental & Leasing	3,400	3,500	3,300	-2.9	3.0
Professional & Business Services	35,000	35,400	32,600	-1.1	7.4
Professional, Scientific, & Technical	10,900	10,900	10,400	0.0	4.8
Management of Companies & Ent.	5,500	5,600	5,600	-1.8	-1.8
Administrative & Support & Waste Mgmt.	18,600	18,900	16,600	-1.6	12.0
Educational & Health Services	29,800	29,200	28,900	2.1	3.1
Educational Services	1,300	1,200	2,400	8.3	-45.8
Health Care & Social Assistance	28,500	28,000	26,500	1.8	7.5
Hospitals	9,700	9,600	9,600	1.0	1.0
Leisure & Hospitality	21,600	21,800	20,600	-0.9	4.9
Arts, Entertainment, & Recreation	3,100	3,300	2,900	-6.1	6.9
Accommodation & Food Services	18,500	18,500	17,700	0.0	4.5
Accommodation	2,300	2,300	2,100	0.0	9.5
Food Services & Drinking Places	16,200	16,200	15,600	0.0	3.8
Other Services	6,700	6,900	6,700	-2.9	0.0
Total Government	35,300	33,000	35,200	7.0	0.3
Federal Government	5,900	5,900	5,600	0.0	5.4
State & Local Government	29,400	27,100	29,600	8.5	-0.7
State Government	13,400	12,200	13,400	9.8	0.0
State Government Education	4,100	3,100	3,900	32.3	5.1
State Government Administration	9,300	9,100	9,500	2.2	-2.1
Local Government	16,000	14,900	16,200	7.4	-1.2
Local Government Education	9,800	8,700	10,200	12.6	-3.9
Local Government Administration	6,200	6,200	6,000	0.0	3.3

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

number than the difference in August 2004, the unemployment rate dropped slightly. Despite the slight decrease in employment from August to September 2004, employment increased by 7,200 people, or 3.1 percent, in the Boise MSA year-over-year, while the total number of unemployed people decreased by 6.3 percent. The *Civilian Labor Force* and *Total Employment* figures for August 2004 for all ten counties in Southwest Idaho are shown in Treasure Valley Table 1 on page 11.

From August to September 2004, *Nonfarm Payroll Jobs* in the Boise MSA increased by 1,500 for six-tenths of a percentage point change. Year-over-year, *Nonfarm Payroll Jobs* increased by 4.1 percent, adding 9,400 new nonfarm jobs. Month-over-month, *Goods-Producing Industries* declined by 600 jobs. *Natural Resources, Mining & Construction* accounted for half of this decrease, dropping from 18,200 jobs to 17,900 jobs. Despite the loss of 300 jobs, this sector is still employing 1,600 more people than it did in September 2003, a 9.8 percent increase. The *Manufacturing* sector absorbed the remaining month-over-month losses in the *Goods-Producing Industries*, dropping from 30,500 to 30,200 jobs. *Manufacturing* employment, however, is still 2.7 percent higher year-over-year. All of the losses in *Manufacturing* occurred in the *Durable Goods Manufacturing* sectors. *Nondurable Goods* remained unchanged in September from August.

In September 2004, the *Service-Providing Industries* employed 191,600 people. This number represents a 1.1 percent increase, or a gain of 2,100 new jobs, from the previous month. This increase in jobs in the *Service-Providing Industries* makes up for the job losses in *Goods-Producing Industries*. Total *Nonfarm Payroll Jobs* showed a 1,500 job increase between August and September of 2004. *Trade, Transportation & Utilities* were unchanged in September as losses in the *Retail Trade* sector were offset by gains in *Transportation, Warehousing, & Utilities*. Employment levels in the *Information* sector remained unchanged between August and September, as did *Financial Activities*. Although unchanged from month-to-month, both the *Information* and *Financial Activities* industries experienced large year-over-year increases of 7.7 percent and 4.0 percent, respectively. *Professional & Business Services* lost jobs, dropping from 35,400 to 35,000, between August and September. The majority of these jobs were lost in the *Administrative, Support, & Waste Management* sector, which are seasonal in nature. Despite the monthly employment losses, *Administrative, Support, & Waste Management* grew by

12.0 percent over the year adding 2,000 jobs since September 2003. *Education & Health Services* increased by 600 new jobs month-over-month as hiring was going on in the *Healthcare* industry as well as a modest increase in jobs in *Education*. Job losses were also recorded in *Leisure & Hospitality* as summer ended and some seasonal jobs were eliminated. In the *Government* sector 2,300 jobs were added in September from August 2004. *Federal Government* employment remained unchanged in September from August, but was still 5.4 percent higher than September of one year ago. *State and Local Government* employment accounted for all of the monthly increase in jobs in the *Government* sector. *State Government* increased by 1,200 jobs from August to September—1,000 of that increase came in *State Government Education*. *Local Government* also increased in September, albeit by a slightly smaller number of 1,100. All of the increase in employment in the *Local Government* sector came in *Education*. Despite the large monthly increase in employment, *Local Government* jobs are down by 1.2 percent from one year ago for the same time period.

AREA DEVELOPMENTS

Boise City MSA

- For the 12 months ending in September 2004, Boise's commercial construction permit valuation was up 14 percent. During the same time period, Meridian's commercial construction permit valuation was up 23 percent. During Boise's latest fiscal year single family home permits numbered 660, down by 12 percent from the previous year. The City of Meridian issued 2,081 new single family home permits during the same fiscal year for an increase of 71 percent over the previous fiscal year.
- During the fiscal year ending September 30, 2004, the Boise office of the Small Business Administration (SBA) had guaranteed 625 bank loans worth over \$100 million. This number of guaranteed loans was 39 percent more than the previous fiscal year. The SBA estimates 5,924 jobs were either created or retained as a direct result of the loans.
- Two Ace Hardware stores are slated to open in Boise and Meridian. One store will open in mid-December in the Cole Village shopping center at the corner of Ustick and Cole Roads. The second store will open in Meridian in March 2005 and

Continued on page 21



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The Magic Valley Labor Market Area (LMA) seasonally adjusted unemployment rate for September 2004 was 3.9 percent, unchanged from the previous month. The number of unemployed persons declined by an estimated 2.2 percent (just 50 persons) but the number of employed persons also declined from August—by 860 persons, or 1.5 percent.

Comparing September 2004 to September 2003, a very positive picture emerges. The *Civilian Labor Force* grew by more than 3,000 persons, almost all of whom were employed. The increase in the number of unemployed was marginal at 50 persons, but that translates into a 2.3 percent increase. The 5.6 percent increase in total employment is a strong indicator of the area's continued growth.

The month-over-month changes in the Magic Valley LMA labor force statistics were due primarily to normal, seasonal movements. School had started and often teachers and staff have left other summer employment to return to their school positions. Summer recreation activities start to wane, and jobs such as lifeguards and park workers cease. The weather can affect the demand for agricultural workers. This happened to some extent in South Central Idaho as the drought throughout the year changed the crop mix, acreage planted and, consequently, harvest times. This year the September weather was ideal early in the month, but then turned rainy and cool at mid-month. However, these conditions did not unduly delay harvest activities in most parts of the area, but could have affected the number of workers in the fields during the mid-month reference week.

The year-over-year changes in the labor force statistics generally show a reduction in unemployment rates in the counties of South Central Idaho. That is, except for Cassia and Minidoka Counties. The closure of the Simplot facilities in Heyburn is still evident in the data, although it is generally thought the worse is over, other parts of the economy show strength, and recent events are very encouraging (see Labor Force data for the area on Magic Valley Table 2).

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	Sep 2004*	Aug 2004	Sep 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	58,200	59,110	55,180	-1.5	5.5
Unemployment	2,250	2,300	2,200	-2.2	2.3
% of Labor Force Unemployed	3.9	3.9	4.0		
Total Employment	55,950	56,810	52,980	-1.5	5.6
Unadjusted					
Civilian Labor Force	58,580	59,920	54,790	-2.2	6.9
Unemployment	1,990	2,630	1,870	-24.3	6.4
% of Labor Force Unemployed	3.4	4.4	3.4		
Total Employment	56,590	57,290	52,920	-1.2	6.9
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs**	47,210	46,900	44,550	0.7	6.0
Goods-Providing Industries	9,310	9,000	7,700	3.4	20.9
Natural Resources & Mining	20	20	20	0.0	0.0
Construction	4,150	3,850	2,530	7.8	64.0
Manufacturing	5,140	5,130	5,150	0.2	-0.2
Food Manufacturing	3,670	3,680	3,550	-0.3	3.4
Other Manufacturing	1,470	1,450	1,600	1.4	-8.1
Service-Providing Industries	37,900	37,900	36,850	0.0	2.8
Trade, Transportation & Utilities	11,180	11,330	10,080	-1.3	10.9
Wholesale Trade	1,990	2,010	1,890	-1.0	5.3
Retail Trade	6,820	6,910	6,190	-1.3	10.2
Utilities	290	280	250	3.6	16.0
Transportation & Warehousing	2,080	2,130	1,750	-2.3	18.9
Information	580	510	490	13.7	18.4
Financial Activities	1,830	1,800	1,770	1.7	3.4
Professional & Business Services	6,100	6,150	6,890	-0.8	-11.5
Educational & Health Services	4,090	4,030	3,770	1.5	8.5
Leisure & Hospitality	3,890	3,910	3,740	-0.5	4.0
Other Services	1,500	1,500	1,520	0.0	-1.3
Government Education	4,170	4,100	4,090	1.7	2.0
Government Administration	4,560	4,570	4,500	-0.2	1.3

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Magic Valley Table 2: September Preliminary Seasonally Adjusted Data

COUNTY/AREA	CIVILIAN LABOR FORCE	# UNEMP	% UNEMP	TOTAL EMPLOY	UNEMPLOYMENT RATE COMPARISON	
					AUG 04	SEPT 03
BLAINE	12,800	504	3.9	12,296	3.8	3.8
CAMAS	496	24	4.8	472	4.3	7.5
CASSIA	9,566	587	6.1	8,979	6.3	6.0
JEROME	10,860	438	4.0	10,422	3.6	4.6
LINCOLN	2,225	115	5.2	2,110	5.4	4.8
MINIDOKA	9,470	855	9.0	8,615	8.6	7.0
TWIN FALLS	39,243	1,554	4.0	37,690	3.9	4.0
CASSIA-MINIDOKA LMA	19,036	1,442	7.6	17,594	7.5	6.5
MAGIC VALLEY LMA	58,195	2,249	3.9	55,946	3.9	4.0
STATE OF IDAHO	708,364	35,606	5.0	672,758	5.0	5.3

Nonfarm Payroll Jobs on Magic Valley Table 1 shows a small gain of 310 jobs from August and a more robust gain of 2,660 jobs since September 2004. *Construction* continues to be the star industry as residential and commercial construction abounds and the addition of the summer road and bridge construction adds to the job count. Construction activity is strong in the other South Central counties not included in the table, especially Blaine County.

Most of the area's agricultural producers should be pleased with generally higher commodity prices than one year ago. In spite of the drought, crop yields have been good, too. Cattle and milk prices have been about 20 percent more than last year. Beef producers have been further encouraged because there have been some signs that Japan and Taiwan might be ready to lift their bans on the importation of U.S. beef that were imposed during the 2003 mad cow disease problem.

It is impossible to overstate the importance of adequate water supplies for the area's agricultural industry and general economy. The same importance applies to the entire state. There are two ongoing, serious water situations that will play out in the coming months. The first is the drought. All counties in the area were declared drought emergency areas during 2004. This was the fifth consecutive drought year for most of them. It is not just surface water that is in short supply during a drought; underground water also grows short or more inaccessible. Most growers and ranchers were able to cope and there were no large wild fires but that was due in part to some timely rainy and cool periods. Unless there is an above average snow pack this winter, it is likely a new round of drought declarations will begin in early 2005.

The other situation is the conflict between surface and groundwater users, senior and junior water right holders, water storage/minimum stream flows and water supply, and ultimately the need to solve current problems while providing for future economic growth and diversification. The issue came to a head last summer as a senior water right holder was about to exercise a water call that could have denied water to many junior water right holders in the area. That crisis was averted but the fundamental conflicts continue. A leadership group was formed to address the problems and some potential solutions are slowly emerging. It has become clear that any solution will have state-wide impact and there are many legal and political barriers to overcome.

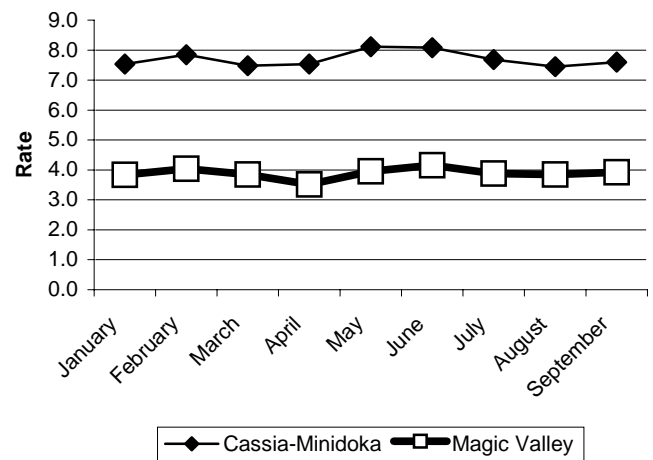
A Tale of Two Areas

While the Magic Valley LMA has had one of the lowest monthly unemployment rates among the state's eight Labor Market Areas/Metropolitan Statistical Areas (see *Glossary* on page 24 for a brief definition of each) for most of 2004, the Cassia-Minidoka LMA has had one of the highest rates during the same period. As Chart 1 shows, the rates trend the same, but the Cassia-Minidoka rate is usually about 4.0 full percentage points higher

than Magic Valley's. Why is this the case, especially since the two LMAs are neighbors? Both areas have similar topographies and climates, rely on man-made systems for access to water, and share similar transportation routes. Agriculture predominates in both areas.

Continued on page 22

Magic Valley Chart 1: 2004 Unemployment Rates Compared: Cassia-Minidoka LMA and Magic Valley LMA



Magic Valley Table 4: Covered Employment, March 2004, Cassia-Minidoka LMA and Magic Valley LMA

INDUSTRIES	CASSIA-MINIDOKA LMA		MAGIC VALLEY LMA	
	Avg Empty	% of Avg Empty	Avg Empty	% of Avg Empty
TOTAL ALL INDUSTRIES	14,339		43,023	
Agriculture, Forestry, Fishing & Hunting	1,770	12.3	4,653	10.8
Mining	*	*	*	*
Utilities	176	1.2	193	0.4
Construction	609	4.2	1,831	4.3
Manufacturing	1,912	13.3	4,654	10.8
Wholesale Trade	1,097	7.7	1,724	4.0
Retail Trade	1,772	12.4	5,609	13.0
Transportation & Warehousing	850	5.9	2,314	5.4
Information	204	1.4	577	1.3
Finance & Insurance	333	2.3	1,200	2.8
Real Estate & Rental & Leasing	70	0.5	514	1.2
Professional, Scientific, & Tech. Svs.	229	1.6	1,731	4.0
Mgt. of Companies & Enterprises	*	*		0.6
			262	
Admin. & Sup. & Waste Mgt. & Remd. Svs.	197	1.4	2,771	6.4
Educational Services	1,340	9.3	3,853	9.0
Health Care & Social Assistance	1,426	9.9	4,726	11.0
Arts, Entertainment, & Recreation	177	1.2	342	0.8
Accommodation & Food Services	881	6.1	2,767	6.4
Other Svs. (except Public Admin.)	348	2.4	1,255	2.9
Public Administration	894	6.2	2,010	4.7
Unknown	*	*	*	*

*Suppressed for disclosure

Total might be additive due to rounding



SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

EMPLOYMENT TRENDS

The Pocatello Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate decreased one-tenth of a percentage point in September 2004 to 4.7 percent from the August 2004 rate of 4.8 percent as shown in Southeast Idaho Table 1. In September 2003, the MSA's unemployment rate was 5.1 percent and it has fallen four-tenths of a percentage point over the year. Increased construction activity and the addition of retail and service sector jobs caused the rate reduction between September 2003 and September 2004.

The MSA's unemployment rate remained below Idaho's rate of 5.0 percent and below the U.S. rate of 5.4 percent.

Nonfarm Payroll Jobs increased by 1,480 in September 2004 over August 2004. Job gains brought total *Nonfarm Payroll Jobs* to 34,270 in September 2004 over the 32,790 recorded in August 2004. The increase was because schools returned to full capacity when the fall semester began. *Government Education* led job gains with an increase of 1,790 jobs. Some of the jobs gained in *Government Education* were partially offset by jobs lost in *Manufacturing* (-40), *Professional & Business Services* (-90), and *Government Administration* (-150). The jobs losses were typical seasonal losses in temporary staffing agencies, and summer recreation and maintenance jobs.

SPECIAL TOPIC: Construction Activity

In June, Southeast Idaho construction reached \$12,473,855. The June 2004 total exceeded the June 2003 total by \$2,950,246, an increase of 31 percent. Half of the reporting areas showed increased construction activity in June 2004 while half fell below the June 2003 total. The Southeast Idaho area kept pace with construction activity statewide. In comparison, Idaho's construction activity increased 32.7 percent in June 2003 over June 2004. While Southeast Idaho's residential construction increased 47.3 percent, Idaho's residential construction increased 44.6 percent.

Mid-year (January through June) area construction fell 27.2 percent from 2001 to 2002, increased 51.3 percent from 2002 to

Southeast Idaho Table 1: Labor Force & Employment
Pocatello City MSA (Bannock County)

	Sep 2004	Aug 2004	Sep 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	41,510	40,640	41,050	2.1	1.1
Unemployment	1,940	1,960	2,110	-1.0	-8.1
% of Labor Force Unemployed	4.7	4.8	5.1		
Total Employment	39,570	38,680	38,940	2.3	1.6
<i>Unadjusted</i>					
Civilian Labor Force	40,950	39,760	40,490	3.0	1.1
Unemployment	1,650	1,860	1,790	-11.3	-7.8
% of Labor Force Unemployed	4.0	4.7	4.4		
Total Employment	39,300	37,900	38,700	3.7	1.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	34,270	32,790	33,960	4.5	0.9
<i>Goods-Producing Industries</i>	4,120	4,180	4,190	-1.4	-1.7
Natural Resources & Mining	10	10	10	0.0	0.0
Construction	1,660	1,680	1,650	-1.2	0.6
Manufacturing	2,450	2,490	2,530	-1.6	-3.2
Food Manufacturing	460	460	410	0.0	12.2
Fabricated Metal Product Manufacturing	120	120	110	0.0	9.1
Machinery Manufacturing	30	30	30	0.0	0.0
Other Manufacturing	1,840	1,880	1,980	-2.1	-7.1
<i>Service-Providing Industries</i>	30,150	28,610	29,770	5.4	1.3
Trade, Transportation & Utilities	7,060	7,060	6,730	0.0	4.9
Wholesale Trade	1,100	1,100	1,000	0.0	10.0
Retail Trade	4,640	4,600	4,450	0.9	4.3
Utilities	40	40	40	0.0	0.0
Transportation & Warehousing	1,280	1,320	1,240	-3.0	3.2
Information	660	660	590	0.0	11.9
Financial Activities	1,740	1,710	1,900	1.8	-8.4
Professional & Business Services	3,640	3,730	3,600	-2.4	1.1
Educational & Health Services	2,660	2,650	2,760	0.4	-3.6
Leisure & Hospitality	3,370	3,410	3,430	-1.2	-1.7
Other Services	870	880	940	-1.1	-7.4
Government Education	5,690	3,900	5,380	45.9	5.8
Government Administration	4,470	4,620	4,450	-3.2	0.4

*Preliminary Estimate

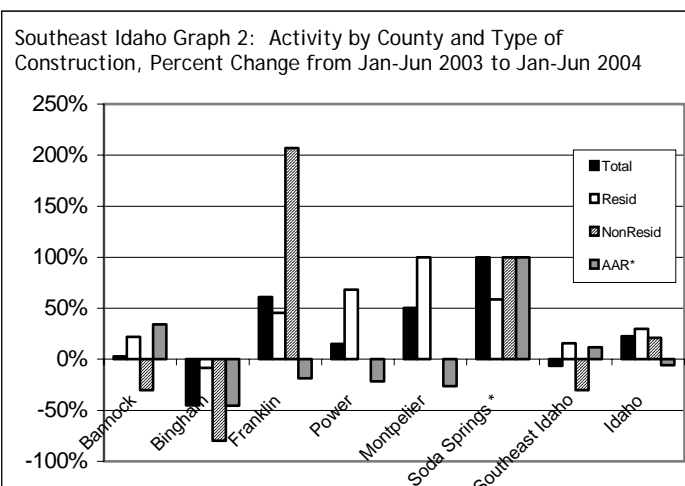
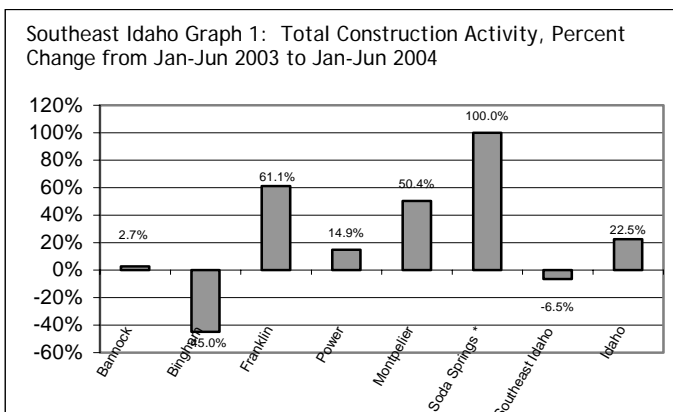
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

2003, and then fell 6.5 percent from 2003 to 2004 as shown in Southeast Table 2 on page 16. In 2003, Southeast Idaho outpaced Idaho's mid-year construction growth when Idaho's construction activity increased only 12 percent, but fell behind in the first six months of 2004 as Idaho gained 22.5 percent. With new construction projects started since June, Southeast Idaho construction should close the gap or keep pace with Idaho's construction activity through the end of 2004. In Southeast Table 2, the large percentage increase in Soda Springs' construction is a dollar value of over \$3.5 million in 2004 because of the construction of a new jail.

Southeast Idaho construction got off to a slow start in the first half of the year. Southeast Idaho Graph 1 on page 16 shows the percentage change in construction activity between 2003 and 2004. Mid-year construction activity

(January through June 2004) totaled \$64,397,287, slightly below the mid-year mark for 2003 when it was \$68,853,674 (-6.5 percent). While construction activity in Southeast Idaho fell in the first six months of 2004, construction activity increased for the State of Idaho by 22.5 percent. Each reporting area in Southeast Idaho showed increased construction activity except Bingham County. The large decrease in Bingham County's construction pulled the entire area into a deficit. The reason Bingham County showed such a dramatic decrease is because the county had an unusually high level of nonresidential construction in the first half of 2003, which led to an unusually large rate of decline from 2003 to 2004.

County/Area	Percent Change		
	2001-2002	2002-2003	2003-2004
Bannock	-29.1%	62.1%	-2.7%
Bingham	30.9%	66.4%	-45.0%
Franklin	17.0%	-13.8%	61.1%
Power	-86.2%	28.1%	14.9%
Montpelier	-83.0%	-25.7%	-50.4%
Soda Springs	-59.1%	-23.6%	2233.5%
Area total	-27.2%	51.3%	-6.5%
Idaho	-7.7%	12.0%	22.5%



* AAR—Additions, Alterations and Repairs

Southeast Idaho Graph 2 shows construction activity changes by county and type of construction. In Southeast Idaho, Residential Construction led 2004 construction activity in both value and rate of change. Residential construction totaled more than \$38 million, an increase of 15.8 percent over 2003 when it totaled nearly \$33 million. Non-residential construction totaled just over \$20 million, a decrease of 30.2 percent from 2003 when it totaled nearly \$29 million. Additions, Alterations and Repairs totaled nearly \$8 million, an increase of 11.7 percent over 2003 when it totaled just over \$7 million.

Bannock County's residential construction increased nearly \$4 million in the first half of 2004, 21.9 percent over the first half of 2003. Additions, Alterations, and Repairs also increased by more than \$1.5 million in 2004 over 2003. The gains in these sectors were outpaced by the decline of nearly \$5 million in nonresidential construction. Nonresidential construction fell 30.4 percent in the first half of 2004 from the first half of 2003.

Bingham County experienced large decreases in all construction categories for the first half of 2004 from the first half of 2003, for a total decrease of more than \$10 million. The decrease between the first half of the two years being compared is mainly because of the high level of construction activity in the county in 2003.

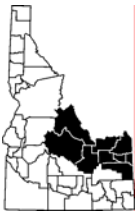
Franklin County construction activity during the first six months of 2004 was very strong. The county gained just over \$3 million in construction activity in the first half of 2004 over the first half of 2003. Residential and nonresidential construction both experienced gains of around \$1.6 million but those gains were partially offset by a decrease of nearly \$140,000 in *Additions, Alterations, and Repairs*.

Power County logged a 14.9 percent increase in construction between the first six months of 2004 over 2003. The increase was mainly in residential construction, which increased by more than 68 percent and totaled nearly \$1.4 million. Nonresidential construction fell two-tenths of a percentage point between 2003 and 2004, but came in strong at nearly \$770,000 for the first six months of 2004.

Montpelier's construction activity fell by nearly \$100,000 in the first half of 2004 from the first half of 2003. Two categories: residential construction and additions, alterations, and repairs fell from the 2003 level by \$65,000 and nearly \$35,000, respectively. There were no nonresidential construction permits issued for the first six months of both years.

Soda Springs' construction activity during the first half of 2003 was impressive in all three categories. Total construction gained more than \$3.5 million in the first six months of 2004 over the first six months of 2003. The gain was mainly because of the construction of a new jail in Soda Springs.

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NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

EMPLOYMENT TRENDS

September's seasonally adjusted unemployment rate for the Bonneville Labor Market Area (LMA) increased four-tenths of a percentage point over the month to 3.6 percent as seen in Northeast Table 1. Although the *Civilian Labor Force* increased by 720, the total number of unemployed individuals increased by 330, thus driving the rate up. Bonneville County was the only county out of the four in the LMA that experienced a decrease in the unemployment rate over the month. The largest increase was seen in Bingham County where layoffs for maintenance were strong in the processing and fresh-pack warehouses. Year-over-year, the Bonneville LMA unemployment rate increased three-tenths of a percentage point with both Bingham and Jefferson Counties each showing increases of seven-tenths of a percentage point. Bonneville County remained unchanged and Butte County decreased 1.9 percentage points. Idaho Falls, the largest city in the LMA, experienced a rate decrease of one-tenth of a percentage point month-over-month and year-over-year to its current 3.1 percent. The LMA's unemployment rate was 1.4 percentage points lower than the state's rate of 5.0 percent and 1.8 percentage points lower than the national rate of 5.4 percent.

Of the other six counties in Northeast Idaho, Lemhi County had the highest unemployment rate at 7.4 percent while Madison County had the lowest rate at 1.2 percent. These counties were in the middle of grain and hay harvest and preparing for potato harvest at this time, accounting for most decreases in unemployment rates over the month. Only Clark, Lemhi and Teton Counties showed slight increases in their rates. Year-over-year, Fremont and Madison Counties showed slight increases, but Lemhi County showed an increase of 1.2 percentage points. The *Civilian Labor Force* in Lemhi County increased by almost 100 people, while the total number

Northeast Idaho Table 1: Labor Force & Employment
Bonneville, Bingham, Butte, and Jefferson Counties

	Sep 2004*	Aug 2004	Sep 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	88,560	87,840	80,910	0.8	9.5
Unemployment	3,160	2,830	2,690	11.7	17.5
% of Labor Force Unemployed	3.6	3.2	3.3		
Total Employment	85,400	85,010	78,220	0.5	9.2
Unadjusted					
Civilian Labor Force	89,870	90,110	82,270	-0.3	9.2
Unemployment	3,130	3,490	2,730	-10.3	14.7
% of Labor Force Unemployed	3.5	3.9	3.3		
Total Employment	86,740	86,630	79,540	0.1	9.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	68,740	68,400	66,550	0.5	3.3
Goods-Producing Industries	11,140	11,270	10,670	-1.2	4.4
Natural Resources & Mining	70	70	70	0.0	0.0
Construction	6,170	6,320	5,630	-2.4	9.6
Manufacturing	4,900	4,880	4,970	0.4	-1.4
Food Manufacturing	2,660	2,680	2,660	-0.7	0.0
Fabricated Metal Product Manufacturing	300	310	290	-3.2	3.4
Machinery Manufacturing	430	420	440	2.4	-2.3
Other Manufacturing	1,510	1,470	1,580	2.7	-4.4
Service-Providing Industries	57,600	57,130	55,880	0.8	3.1
Trade, Transportation & Utilities	15,610	15,610	15,060	0.0	3.7
Wholesale Trade	5,100	5,100	4,990	0.0	2.2
Retail Trade	8,500	8,530	8,180	-0.4	3.9
Utilities	120	120	130	0.0	-7.7
Transportation	1,890	1,860	1,760	1.6	7.4
Information	1,120	1,120	940	0.0	19.1
Financial Activities	2,210	2,230	2,210	-0.9	0.0
Professional & Business Services	12,710	12,430	12,160	2.3	4.5
Educational & Health Services	6,990	6,990	6,610	0.0	5.7
Leisure & Hospitality	5,910	5,830	5,630	1.4	5.0
Other Services	1,980	2,100	2,100	-5.7	-5.7
Government Education	4,560	4,150	4,600	9.9	-0.9
Government Administration	6,510	6,670	6,570	-2.4	-0.9

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

of unemployed increased just over 50. Since population in this county has been slightly decreasing, this data suggests that more people have entered the labor force who were not previously included due to a variety of reasons. There would not necessarily be jobs immediately available for all of the people returning to the labor force, and therefore some would be counted as unemployed. The other three counties showed slight decreases. As a whole, all nine counties in Northeast Idaho showed an unemployment rate of 3.2 percent in September.

Nonfarm Payroll Jobs increased by 340 over the month, with a gain of 470 jobs in *Service-Providing Industries* counteracting the loss of 130 jobs in *Goods-Producing Industries*. A loss of 150 jobs in *Construction* dominated the overall loss with projects starting to slow down for the season and some employees leaving to return to school. In the *Service-Providing Industries*,

Professional & Business Services showed a gain of almost 300 jobs from August to September 2004 while *Government Administration* and *Other Services* combined experienced the opposite with a loss of approximately 300 jobs. As expected, *Government Education* showed the largest increase—410—with all schools starting back into regular sessions. Year-over-year, *Nonfarm Payroll Jobs* increased by 2,190 with *Service-Providing Industries* accounting for 1,720 jobs and *Goods-Producing Industries* providing the other 470. *Construction* provided the large increase in *Goods-Producing Industries*, while *Service-Providing Industries* had many contributors. *Professional & Business Services* added 550 jobs along with an increase of 380 jobs in *Educational & Health Services*. Both of these are encouraging increases since they employ many professionals. *Retail Trade* also showed a large increase of 320 jobs while *Leisure & Hospitality* showed an increase of 280 jobs. *Other Services* was the only sector to show any substantial loss at 120 jobs.

AREA DEVELOPMENTS

- Sunnyside Road in Idaho Falls has been the site of a great deal of commercial development activity recently. Three new commercial sectors are currently in the construction phase with several businesses already up and running. From west to east on Sunnyside Road, the first sector is located on the southwest corner of St. Clair and Sunnyside Roads. The businesses that are known to be locating there at this time are: Soft Touch Dental Care, Family Resource Center, Idaho Central Credit Union, and NSI Communications. There appears to still be offices and building space available. The next sector is at Merlin Drive and includes: Beehive Federal Credit Union; Willamette Dental; Tall Dentistry; Charles Call Podiatry; Murphy, Wright and Associates; Elison Orthodontics; Eyecare Associates; Poston, Denny and Killpack PLLC; Insight Financial; Aspen Valley Dentistry; and Mountain West Dermatology. Commercial lots are still available in this sector. The third sector is further east and across from Eastern Idaho Medical Center on Washington Parkway. The businesses located there are Biddulph and Huntsman Orthopedics, Medical Center for Children and Adolescents, Stephen Morano Neurology, Aspen Home Health and Hospice, Family First Medical Center, Mountain Crest Foot and Ankle, Elison Dental, Summit Health Professionals, and Harris Dental. There are several other buildings under construction there along with many lots still available. Growth is steady on Sunnyside Road because of the ongoing road expansion to five lanes and addition of an exit there off of Interstate 15. Officials expect this exit to be highly used as it leads to popular destinations such as the hospitals and the Grand Teton Mall. Most of these businesses are relocating from

other areas in town, but some are new developments or combinations of existing businesses and/or medical providers.

- Eastern Idaho Economic Development Council (EIEDC) has been renamed to Grow Idaho Falls Inc. to better define its boundaries since changes were made earlier in the year. The staff and board has remained the same—Kipp Hicks as the President/CEO—but its name and mission statement now reflect the organization's concentration on the greater Idaho Falls area rather than the seven-plus county area it once covered.
- Battelle Energy Alliance (BEA) won the 10-year \$5 billion contract to manage the Idaho National Engineering and Environmental Laboratory (INEEL) starting February 2005. At this time the nuclear site, situated mostly in the Arco desert, will become known as the Idaho National Laboratory (INL). Laboratory staff will start work on the Next Generation Nuclear Plant and lead the Center for Advanced Energy Studies. A handful of teams had put in for the bid, but BEA came out the victor with a team of Battelle Memorial Institute, BWXT Services Inc., Washington Group International, the Electric Power Research Institute, and the Massachusetts Institute of Technology. A second major contract focusing on the cleanup at the INL is still in the bidding process with the winner to be announced in the spring of 2005.
- Rexburg will be home to a World Gym before the end of the year. It will be located on the corner of Seventh South and Pioneer Road and will offer classes in yoga, spinning, Pilates, and martial arts. It will also have racquetball courts and offer APEX fitness and nutrition programs. Solar Connection Tanning Salon will be part of the complex and Kids World will provide tending for children. This is the second of five World Gyms planned for the eastern Idaho region. The Idaho Falls gym has already been in operation for several years.

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USERRA ENSURES RIGHTS, DEFINES OBLIGATIONS FOR RESERVISTS

As a result of the nation's increased vigilance against terrorism and the war in Iraq, tens of thousands of reservists have been and are being called to active military duty. Most will eventually return to civilian life and their jobs. Employees who have been called to serve and the businesses that employ these reservists have specific obligations and rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). Signed into law ten years ago by President Clinton, USERRA was designed to give employees who take a leave of absence for active military service certain statutory rights—not only to reemployment, but to specific coverage for retirement and wellness benefits.

The purpose of the Uniform Services Employment and Reemployment Rights Act (USERRA) is to protect the civilian jobs of those who choose to serve in the armed forces. Specifically, USERRA is intended to minimize the disadvantages to civilian employees who serve in this country's uniformed services. Further, the law is intended to encourage people to participate in non-career uniformed service while maintaining a balance with the needs of private and public employers.

Under USERRA, individuals may be absent from work for military duty for up to **five** years during which time their employers are required to retain their positions. Upon return, the employees are entitled to occupy the jobs they would have attained had it not been for the military service absence. The returning employees are entitled to the same seniority, status and compensation level they would have attained had they been continuously employed. USERRA also requires that employers make reasonable efforts (such as training or retraining) to enable returning service members to refresh or upgrade their skills to help them enter reemployment.

"USERRA is particularly important now as it provides reemployment rights to those men and women called from civilian jobs to serve in the nation's defense. In addition, the law prohibits employer discrimination against veterans and reservists because of their military service or obligations."

*- From a statement by Frederico Juarbe, Jr.,
Assistant Secretary for Veterans Employment
and Training, U.S. Department of Labor,*

HISTORIAL PERSPECTIVE

USERRA's roots go back to 1940, when the Congress was considering the nation's first peacetime draft. At the same time, the lawmakers resolved to provide newly inducted service members right to return to their pre-service employers. To achieve this, what came to be popularly known as the Veterans' Reemployment Rights (VRR) law was enacted.

By the early 1990s, the VRR law had become a complex and often difficult patchwork of legislative amendments and court decisions. It was severely tested by the mobilization and subsequent return of some 265,000 Guard and Reserve members for Operation Desert Shield/Desert Storm in 1991. USERRA revised and restructured the VRR law, continuing most of its provisions while clarifying many provisions. It also made some substantive changes.

These provisions apply to all employers, no matter how large or small. Basically, employers are required to:

- Grant military leave to employees to perform military service. Employees must give advance notice "unless precluded by military necessity."
- Allow the use of accrued leave if requested by an employee. Employers are not required to pay employees on military leave.
- Continue health benefits for at least 30 days under the same terms as if the employee were still on staff. After 30 days, the employer must give the employee the COBRA-like option to pay for continuing health benefits for up to 18 months. The employer can charge the employee up to 102 percent of the premium cost.
- Restore health coverage in full with no waiting periods and no penalty for non-service-related preexisting conditions when the member returns to work.
- Allow paid time off to accrue if the employer's policies for workers on other kinds of leave (FMLA, etc.) permit them to continue accruing. Otherwise, employers are not required to allow accrual of vacation and sick days while employees are on military leave.
- Reinstate non-seniority based benefits.

- Reemploy military members after completion of their duty. If any of these employees were in line to receive promotions based on seniority, and if they are qualified or can be made so, then those employees are entitled to the jobs they would have had if they had never left.
- Continue pension plans. A reemployed person "must be treated as not having incurred a break in service with the employer maintaining a pension plan." Employers are, therefore, liable for their contributions to a plan.

The reinstatement provisions and benefit issues, which are only generally summarized in this article, are

very complicated and could be significant sources of liability to unwary employers. Human resources departments should periodically review their military leave policies to ensure that they comply with the law.

More information regarding USERRA can be found by contacting the U.S. Department of Labor/VETS, Idaho at (208) 332-8947 or at: www.dol.gov/vets/#userra.

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Remembering... Veteran's Day November 11, 2004



FYI Table 1: Idaho Veteran Population, 2003 Sex by Age, by Armed Forces Status, by Veteran Status for the Population 18 Years and Over. (Universe: Population 18 Years and Over)

Idaho	Estimate	Lower Bound	Upper Bound
Total:	963,572	959,495	967,649
Male:	471,591	468,552	474,630
18 to 64 years:	404,166	401,332	407,000
In Armed Forces	2,247	765	3,729
Civilian:	401,919	398,964	404,874
Veteran	72,047	65,822	78,272
Nonveteran	329,872	323,279	336,465
65 years and over:	67,425	66,187	68,663
In Armed Forces	-	-	385
Civilian:	67,425	66,187	68,663
Veteran	43,297	39,910	46,684
Nonveteran	24,128	20,941	27,315
Female:	491,981	488,433	495,529
18 to 64 years:	411,822	408,443	415,201
In Armed Forces	325	-	705
Civilian:	411,497	408,041	414,953
Veteran	5,621	4,004	7,238
Nonveteran	405,876	402,032	409,720
65 years and over:	80,159	78,893	81,425
In Armed Forces	-	-	385
Civilian:	80,159	78,893	81,425
Veteran	1,860	981	2,739
Nonveteran	78,299	76,605	79,993

Because November is the month to honor veterans, Tables 1 and 2 provide a snapshot view of some characteristics of Idaho's veterans.

FYI Table 2: Idaho Veterans by Service Theater

Idaho	Estimate	Lower Bound	Upper Bound	Percent of Est.
TOTAL	122,825	114,206	131,444	
Gulf War, no Vietnam Era	18,494	14,502	22,486	15.06%
Gulf War and Vietnam Era	1,869	995	2,743	1.52%
Vietnam Era, no Korean War, no World War II	37,805	33,047	42,563	30.78%
Vietnam Era and Korean War, no World War II	1,281	586	1,976	1.04%
Vietnam Era and Korean War and World War II	335	0	686	0.27%
Korean War, no Vietnam, no World War II	15,095	12,784	17,406	12.29%
Korean War and World War II, no Vietnam Era	1,419	480	2,358	1.16%
World War II, no Korean War, no Vietnam Era	19,850	17,434	22,266	16.16%
Post-Vietnam Era only	12,618	10,133	15,103	10.27%
Between Vietnam and Korean War only	13,366	10,893	15,839	10.88%
Between Korean War and World War II only	565	177	953	0.46%
Pre-World War II only	128	0	375	0.10%

will take up approximately 22,000-square feet of the old Intermountain Outdoor Sports building. Each store will initially employ about 25 workers.

- Zamzows opened a new store in Meridian in late November. It is located at the site of the former Petal Pusher Nursery on Chinden Boulevard, between Locust Grove and Meridian Roads. The company is starting with five employees for the winter months; ten more workers will be added next spring. Petal Pusher closed earlier this fall.
- Westfarm Foods in Caldwell recently laid off 20 employees after a consolidation of two Idaho locations. The Caldwell facility will condense milk for milk powder, but the drying process that is involved is being moved to Jerome.
- Bogus Basin ski resort has begun hiring for the 2004-2005 ski season. Over 500 people will be hired as snowplow operators and ski instructors, for day care and food and beverage services, and for several other job categories.
- Companies throughout the nation are expected to spend at least 7 percent more on information technology (IT) goods this year over last year, a growth rate expected to continue through 2008. Micron Technology, as well as other technology firms, stands to benefit from such spending. Micron is expecting a double-digit increase in demand for memory in the upcoming months as result of such spending on IT products.
- Sales of small businesses have been increasing over the last year recovering from the drop in sales experienced since 2001. Boise based brokerage firm Laska Co. has experienced an increase in their small business sales of approximately 50 percent from one year ago. Arthur Berry and Co. has also experienced an increase in their sales of small businesses, which began around the end of summer 2003. The increase in the sales of businesses has been credited to population growth, low interest rates, and greater confidence in the economy's recovery.
- Meridian is the planned site of a new 16-screen movie complex at the southeast corner of Eagle Road and Ustick Road. Norco Inc. is selling a 23-acre piece of land to Lauth Property Group for development of the theater. Lauth Property Group is planning to complete construction completed on the theater complex by fall 2005.

- The number of passengers traveling through the Boise Airport from January through September 2004 had increased by 17 percent from the same time period in 2003. That increase is significantly higher than the national average increase of 5.6 percent. The increase in passenger numbers has been attributed to Idaho's healthy job growth, thus creating a need for increased business travel.
- Pier 1 Imports recently opened a new store in Meridian. The 10,795-square-foot store is located in Meridian at the Crossroads shopping center. The new store will employ approximately 18 full-time and part-time workers.

Payette County

- Silgan Containers, which manufactures cans for canned food, has closed its Payette manufacturing facility. Between 15 to 30 workers were laid off due to the closure, but these employees were given the opportunity to transfer to another Silgan facility; the closest one is in Toppenish, Washington. Loss of business due to the cut-backs at Seneca Foods was cited as the reason for this plant closure.
- Magic Valley dairyman Jim Scarrow recently won approval from Payette County to begin a new dairy operation. Payette County imposed a cap on the number of animals allowed at the 1,330-acre site of 17,474 animal units or 12,481 cows to be milked.

Valley County

- Between January 1 and September 18, 2004, Valley County had issued 673 total building permits, up by 18 percent from the same time period a year earlier when 569 permits were issued.
- Tamarack Resort has recently completed installing the chair lift towers for the 25 ski runs scheduled to open in mid-December. Thirty-six chair lift towers were installed with the assistance of a helicopter in the latter part of October.

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The industrial structure of the two areas is quite similar in terms of the percentage of jobs in each major sector. The one exception of note is in the *Administrative & Support Services*. Magic Valley LMA has 6.4 percent of covered employment compared to Cassia-Minidoka's 1.4 percent. Call centers are classified in this sector.

The 2003 shift elimination (about 125 jobs) at McCain Foods and the closure of the J.R. Simplot potato processing plant (plus some other small operations) in Heyburn commencing in April 2004 dealt the Cassia-Minidoka area the prospect of a rather sudden loss of jobs. These events led to the elimination of nearly 400 food processing jobs in a year's time. It was assumed these direct job losses would in turn lead to the loss of other jobs in the area. The job losses began to stand out in the November 2003 labor force statistics as the unemployment rate jumped from 6.2 percent in October 2003 to 7.4 percent in November. The number of unemployed increased by 250.

The loss of 400 jobs might not seem to be a very large number or a reason for the unemployment rate to jump so much or explain why the Cassia-Minidoka rate is so much higher than its neighbor. However, the Magic Valley LMA *Civilian Labor Force* has continued to expand while the Cassia-Minidoka LMA's has declined. In the Magic Valley, the number of unemployed has remained fairly constant while it has actually declined in the Cassia-Minidoka LMA. Magic Valley has increased its employment count while Cassia-Minidoka has been static or declining, losing workers who have become discouraged or found jobs outside the area.

The reason the Cassia-Minidoka unemployment rate is so much higher is primarily one of arithmetic. The unemployment rate is calculated by dividing the number of unemployed people by the entire labor force. When the numerical values of the fraction are small, a small change in either will have a more pronounced affect on the dividend (or percentage) than if the values are large, but the change is the same. That is, an increase of 100 in the number of unemployed people in a labor force of 1,000 will have a much greater affect than a change of 100 unemployed people in a labor force of 10,000.

So the tale of the two labor markets is if you lose 400 jobs in a labor force of 58,000 persons compared to one with

20,000 persons you are more likely to be able to absorb the loss in the much larger labor force. And, because you are a small labor force, the arithmetic will really emphasize your loss.

A NEW CHAPTER OF THE TALE

The surest way to overcome a loss of jobs is to have new ones created. Two recent events in the Cassia-Minidoka area will do that. On October 25, ground was broken for the construction of a new Swiss cheese plant owned by Gossner Foods of Logan, Utah. The new plant will be built on land formerly the site of the J.R. Simplot potato processing plant in Heyburn. The old facility will be torn down and the new plant constructed. The project is expected to cost about \$20 million. The company plans to build the facility and begin producing cheese by the end of 2005. Approximately 40 new jobs will be created at the cheese plant. Gossner's arrival in the area is the result of a concerted effort of many local and state officials, business people, economic development entities, and a private developer.

Another project that will create some construction jobs is the expansion of the remodeling project currently going on at the Minidoka Memorial Hospital in Rupert. Enough savings were found in the \$2+ million project to do some additional remodeling/construction work.

In Twin Falls, the Jayco, Inc. company will start a new travel trailer and fifth-wheel camper manufacturing facility. The Indiana-based company will take over the vacant building formerly occupied by Norco Windows. Manufacturing will begin as soon as the building is ready and new units are expected to roll off the line in January 2004. An initial workforce of 40 persons will be hired for the start up and, growing to 80 jobs by next October.

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Magic Valley Table 4: Labor Force Data Jan–Sep 2004 Compared: Cassia-Minidoka LMA and Magic Valley LMA									
CASSIA-MINIDOKA LMA					MAGIC VALLEY LMA				
	Labor Force	Unemp.	Unemp. Rate	Total Emp.		Labor Force	Unemp.	Unemp. Rate	Total Emp.
January	20,265	1,527	7.5	18,739	January	57,468	2,208	3.8	55,260
February	20,370	1,599	7.8	18,771	February	57,173	2,308	4.0	54,866
March	20,349	1,523	7.5	18,825	March	57,500	2,214	3.9	55,286
April	19,336	1,456	7.5	17,880	April	58,054	2,043	3.5	56,011
May	19,472	1,580	8.1	17,892	May	57,586	2,277	4.0	55,309
June	19,648	1,588	8.1	18,060	June	58,514	2,433	4.2	56,081
July	19,212	1,477	7.7	17,735	July	59,187	2,297	3.9	56,891
August	19,228	1,433	7.5	17,795	August	59,273	2,282	3.9	56,991
September	18,969	1,441	7.6	17,528	September	58,038	2,274	3.9	55,764
YTD Average	19,650	1,514	7.7	18,136	YTD Average	58,088	2,259	3.9	55,829

Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Labor Market Area (LMA): An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

Metropolitan Statistical Area (MSA): An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a

total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are five MSAs in Idaho—Boise City-Nampa MSA (including Ada and Canyon Counties), Coeur d’Alene MSA (Kootenai County), Idaho Falls MSA (Jefferson and Bonneville Counties), Lewiston MSA (Nez Perce County in Idaho and Asotin County in Washington), Logan MSA (Franklin County and the Logan, Utah, Metro Area), and Pocatello City (Bannock County).

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.